Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Message Text

CONFIDENTIAL

PAGE 01 LISBON 03972 161623Z

42
ACTION SS-30

INFO OCT-01 ISO-00 SSO-00 /031 W
---------- 029192
O 161535Z SEP 74
FM AMEMBASSY LISBON
TO SECSTATE WASHDC IMMEDIATE 527

C O N F I D E N T I A L LISBON 3972

EXDIS

E.O. 11652: GDS
TAGS: MARR, PO, US
SUBJ: SOARES MEETING WITH SECRETARY

SUMMARY: FONMIN SOARES TOLD AMBASSADOR THAT IN MEETING WITH SECRETARY HE WILL MAKE PLEA FOR ECONOMIC ASSISTANCE ON GROUNDS THAT U.S. HELP NEEDED TO FORESTALL AN ECONOMIC CRISIS. SOARES FEARS THAT USSR AND EASTERN EUROPEAN COUNTRIES READY TO PROFFER AID IF WEST DOES NOT AND THIS WILL BENEFIT COMMUNIST PARTY HERE WITH ELECTIONS IN OFFING. RENEWAL OF BASE AGREEMENT IS NOT AT ISSUE. HOWEVER, LAJES BASE NEGOTIATION SEEN BY SOARES AS USEFUL VEHICLE FOR U.S. TO PROVIDE AND JUSTIFY AID. END SUMMARY

1. AT SEPTEMBER 13 LUNCH WITH AMBASSADOR, FOREIGN MINISTER MARIO SOARES OUTLINED THRUST OF WHAT HE INTENDS TO SAY WHEN HE MEETS WITH SECRETARY ON SEPTEMBER 17 IN WASHINGTON. SOARES EXPECTS TO MAKE STRONG PLEA FOR ECONOMIC ASSISTANCE FROM U.S. HE WILL EXPLAIN TO SECRETARY THAT PORTUGAL'S DETERIORATING ECONOMIC SITUATION LIKELY REACH CRISIS IN OCTOBER WITH RETURN OF TROOPS FROM GUINEA-BISSAU, PROBABLE RETURN OF SUBSTANTIAL NUMBER OF EMIGRANT WORKERS AS RECESSION HITS EUROPE, AGGRAVATED UNEMPLOYMENT, AND CONTINUING PROBLEM OF INFLATION.

2. SOARES FEARS THAT THIS ECONOMIC CRISIS WILL
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 LISBON 03972 161623Z

GIVE COMMUNIST COUNTRIES AN OPPORTUNITY FOR GAINING

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

A POSITION OF INFLUENCE IN PORTUGAL. SOARES EXPECTS
THAT COMMUNIST PARTY LEADER AND MINISTER WITHOUT
PORTFOLIO ALVARO CUNHAL WILL ATTEMPT TAKE MAXIMUM
ADVANTAGE OF DETERIORATING ECONOMIC SITUATION BY
ANNOUNCING OFFERS OF AID FROM USSR AND EASTERN
EUROPEAN COUNTRIES. IF OTHER MEANS TO MEET CRISIS
NOT THEN AVAILABLE, GOP WOULD BE HARD PUT TO TURN
DOWN CUNHAL. ALTHOUGH PORTUGUESE COMMUNIST PARTY
(PCP) NOW LAGGING WELL BEHIND SOARES' SOCIALIST
PARTY (PS) IN PRIVATE POLLS AND, SOARES THINKS,
HAS REACHED ITS NATURAL LIMIT AT 18 PERCENT OF
POLLED ELECTORATE (AGAINST 25 FOR PS, 8 FOR CENTER-
LEFT PPD AND REST UNDECIDED), LARGE-SCALE AID FROM
COMMUNIST COUNTRIES FOR PORTUGAL DURING TIME OF
ECONOMIC TROUBLES COULD WELL GIVE PCP DECIDED BOOST
TO DISADVANTAGE OF DEMOCRATIC PARTIES WITH ELECTIONS
JUST AROUND THE CORNER.

3. SOARES SAID THAT HE DOES NOT PLAN TO ENTER INTO
DETAILED NEGOTIATIONS ON AZORES WITH SECRETARY,
WHICH WILL BE LEFT TO TECHNICAL TEAM. HOWEVER, HE
WOULD LIKE TO DISCUSS GENERAL FRANEWORK FOR
NEGOTIATIONS ALONG ABOVE LINES. HE HOPES FOR
INDICATION FROM SECRETARY THAT U.S. WILL BE WILLING
USE AZORES AGREEMENT AS MECHANISM FOR PROVIDING AID
TO RESCUE PROTUGAL FROM IMPENDING ECONOMIC CRISIS.

4. SOARES WENT OUT OF HIS WAY TO INSIST THAT HE WAS
NOT RAISING POSSIBLE COMMUNIST AID AS BLACKMAIL FOR
AZORES AGREEMENT. HE TOOK SPECIFIC ISSUE WITH A
JUNIOR PS OFFICIAL WHO IN RECENT PUBLIC MEETING
ARGUED FOR END TO AZORES BASE AGREEMENT AND PORTUGAL'S
DEPARTURE FROM NATO: SOARES STATED FLATLY THAT
RENEWAL OF BASE AGREEMENT NOT RPT NOT AT ISSUE BUT
WAS ON CONTRARY ASSURED BY COMMITMENT IN PROGRAM
OF ARMED FORCES MOVEMENT THAT NEW PORTUGAL WOULD
HONOR EXISTING INTERNATIONAL AGREEMENTS.

5. COMMENT: THERE IS GROWING FEELING HERE OF
DISILLUSIONMENT TOWARD U.S. MORE LIBERAL ELEMENTS,
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 LISBON 03972 161623Z

RECALLING THAT U.S. WAS VIRTUALLY ONLY RESPECTABLE
FRIEND CAETANO GOVERNMENT STILL HAD ON EVE OF
COUP, ARE CONCLUDING THAT U.S. PREFERRED OLD REGIME
AND IS WITHHOLDING ITS SUPPORT TO NEW REGIME IN
HOPE IT WILL FOUNDER, THEREBY ENABLING GROUP MORE
TO U.S. LIKING (I.E. REACTIONARY) TO TAKE OVER
POWER. MORE CONSERVATIVE ELEMENTS FEEL THAT U.S.,
THROUGH INACTION, IS PERMITTING COMMUNISTS TO

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

CONSOLIDATE THEMSELVES INTO EVER MORE POWERFUL
POSITION. SOARES, WHO IS ABOVE ALL A PRAGMATIST,
DOES NOT APPEAR TO SHARE EITHER OF THESE EXTREME
VIEWS IN THAT HE NEITHER DISTRUSTS THE U.S. TO
THE EXTENT OF THE FIRST NOR CREDITS THE COMMUNISTS
WITH AS MUCH STRENGTH AS THE SECOND. NONETHELESS, HE
RECOGNIZES THAT THE SITUATION IN PORTUGAL TODAY IS
A DELICATE ONE AND THAT, IF IT DOES NOT SOON BECOME
CLEAR THAT PORTUGAL CAN RELY UPON THE WESTERN
DEMOCRATIC WORLD TO ENABLE IT TO TAKE ITS PROPER
PLACE IN THAT WORLD, THE UNDECIDED HALF OF THE
ELECTORATE MAY BE SWAYED BY "FRIEND IN NEED" TYPE
BLANDISHMENTS FROM THE EAST.

6. SOARES THUS LOOKS UPON THE AZORES NEGOTIATIONS
AS AN ASSET FOR THE ANTI-COMMUNIST FORCES IN
PORTUGAL. HE ASSUMES THAT THEU.S. IS INDEED
FAVORABLY INCLINED TO THE NEW PORTUGAL, WHICH HAS
IMPLEMENTED LONG-ARGUED U.S. VIEWS WITH REGARD TO
PORTUGUESE AFRICA, AS WELL AS HAVING ADOPTED AN
INTERNAL DEMOCRATIC POLITICAL PHOLOSOPHY COMPATIBLE
WITH THE U.S. SYSTEM. HE CLEARLY HOPES THAT THE
U.S. IS PREPARED TO ASSIST PORTUGAL TO OVERCOME THE
DIFFICULTIES CAUSED BY ADOPTION OF THESE POLICIES.
WHAT HE NOW SEEMS TO BE ANXIOUS TO HEAR IS THAT THE
U.S. LOOKS UPON THE AZORES NEGOTIATIONS AS PROVIDING
THE MECHANISM THROUGH WHICH THE U.S., EVEN IN A
PERIOD OF DECLINE OF FOREIGN AID, CAN SECURE THE
DOMESTIC SUPPORT FOR PROVIDING THE MEANS TO PREVENT
ECONOMIC HARDSHIP AND STRENGTHEN ANTI-COMMUNIST
POLITICAL FORCES IN PORTUGAL. ARMED WITH A
STATEMENT ALONG THESE LINES BY THE SECRETARY,
SOARES PRESUMABLY WOULD HOPE TO CONVINCE HIS CABINET
CONFIDENTIAL

CONFIDENTIAL

PAGE 04 LISBON 03972 161623Z

COLLEAGUES AND EVENTUALLY THE WIDER PUBLIC THAT
PORTUGAL'S DESTINY LIES WITH THE U.S. AND WESTERN
EUROPE, AND THE NON-COMMUNIST PORTUGUESE POLITICAL
PARTIES, AND NOT ELSEWHERE.
SCOTT

CONFIDENTIAL

NNN

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC ASSISTANCE, ECONOMIC CONDITIONS, MEETINGS, MILITARY BASE AGREEMENTS, MINISTERIAL VISITS, POLITICAL PARTIES
Control Number: n/a
Copy: SINGLE
Draft Date: 16 SEP 1974
Decaption Date: 28 MAY 2004
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: cunninfx
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974LISBON03972
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740258-1048
From: LISBON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740943/aaaabkcn.tel
Line Count: 159
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION SS
Original Classification: CONFIDENTIAL
Original Handling Restrictions: EXDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: EXDIS
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: cunninfx
Review Comment: n/a
Review Content Flags:
Review Date: 30 MAY 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <30 MAY 2002 by rowelle0>; APPROVED <06 MAR 2003 by cunninfx>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: SOARES MEETING WITH SECRETARY SUMMARY: FONMIN SOARES TOLD AMBASSADOR THAT IN MEETING
TAGS: MARR, PO, US, UR, PORTUGUESE COMMUNIST PARTY, PCP, (SOARES, MARIO), (KISSINGER, HENRY A), (CUNHAL, ALVARO)
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005